

Adopted at Meeting of 5/2/74

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: ESTABLISHMENT OF FAIR MARKET VALUE IN

SOUTH COVE URBAN RENEWAL AREA PROJECT NO. MASS. R-92

WHEREAS, the governing body of the Authority (the Board) at a regular meeting on April 19, 1973, adopted a Resolution, entitled "Resolution of the Boston Redevelopment Authority Relative to the Establishment of Fair Market Value for Properties to be Acquired", and

WHEREAS, the parcels were appraised by at least two independent fee appraisers, were reviewed by staff appraisers, and the values recommended by the Real Estate Director and concurred in by the General Counsel;

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY: THAT, the Fair Market Value of the parcels listed below are hereby established:

<u>Parcel No.</u>	<u>Owner</u>	<u>Price</u>
10-1	Dewey Square Realty Co.	\$37,500
18-1	Dewey Square Realty Co.	\$91,000

Title to each parcel, when acquired, is to be in fee simple, free and clear of all reservations, encumbrances, and other exceptions to title, except:

1. Liens for any taxes that are not payable at the time of vesting title in the Local Public Agency;
2. Easements or other outstanding interests that have been designated as parcels to be acquired separately;

3. Easements or other interests that under the Urban Renewal Plan are not to be acquired;
4. Reservation of interests or rights, if any, in the former owner, if authorized and in accordance with Department of Housing and Urban Development policies and regulations.

None of the parcels covered by this request is now owned, nor was owned at any time after the Local Public Agency filed its first application for Federal assistance for, or Federal concurrence in, the Project, by (a) the Local Public Agency, (b) a member of its governing body, (c) an officer or employee of the Local Public Agency who exercises a responsible function in carrying out the Project, (d) the local government, (e) the Federal Government, or (f) a public entity or nonprofit institution which acquired the property from the Federal Government for a nominal consideration at a discounted price.

(x) No exceptions

() Except the following parcels

PROJECT: SOUTH COVE R-92 COMMENTS

Certificate No. 1

PARCEL NOS.: 10 - 1 and 18 - 1

Assessment		\$14,000		\$37,000	
First Appraisal	(1974)	\$31,000	(J.Kiley)	\$91,000	(1974)
Second Appraisal	(1966)	35,900	(B.Singer)	82,500	(1966)
Third Appraisal	(1974)	51,000	(J.O'Neill)	90,500	(1974)
Rec. Max. Acq. Price		\$37,500		\$91,000	

Parcel 10-1

The property consists of a triangular shaped lot containing 972 sq. ft. of land. It is improved with a small brick structure originally a gasoline service station office, later used as an office by a car-rental agency and presently being used as a fast-food type operation.

All three appraisers use the income approach to estimate the value of this parcel. The present tenant reportedly pays an annual rental of \$6,600. All three appraisers are of the opinion that the rental should be higher. Their estimates range from \$7,200 to \$8,400 per year.

The first appraiser estimated a rental value of \$7,200 per year. His net income, after expenses of \$3,553, was \$3,647 which he capitalized at 12% for a resultant value of approximately \$31,000.

The second appraisal was made in 1966. At that time, the rental was \$6,000 per year, plus a tax clause which amounted to about \$375. There was a renewal option in the lease which provided for an increase to \$7,000 per year. The property was assessed for \$26,000 in 1966. It is now assessed for \$14,000. He estimated a rental value of \$7375, expenses of \$3608 and a net income of \$3767. His capitalized value was \$35,900.

The third appraiser used a rental value of \$8,400, expenses of \$3,323 and a net of \$5,077. He capitalized at 10% for a value of \$51,000.

In my opinion, the fair market value of the parcel is \$37,500. The basis for this estimate is shown below:

Fair rental value	\$7,500
Expenses	3,400
Net Income	<u>\$4,100</u>
Capitalized value @ 11%	\$37,500

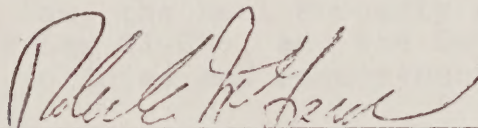
PARCEL NOS.: 10-1 and 18 - 1 (continued)Parcel 18-1

This parcel is a fairly rectangular lot at the corner of Church and Stuart Streets. It contains 4,293 sq. ft. of land and is used as a public parking lot. For the past few years, it has been used in conjunction with an adjacent B. R. A.-owned lot containing approximately 11,000 sq. ft. of land.

The appraisers evaluated the parcel on the premise that the highest and best use is a public parking lot.

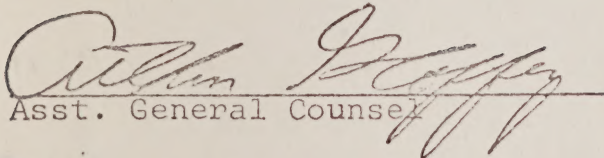
The first and third appraisals, originally made in 1965-1966, were updated to 1974. Their respective values of \$91,000 and \$90,500 figure to approximately \$21.00 per sq. ft.

In my opinion, the fair market value of the parcel is \$91,000.



Robert E. McGovern
Real Estate Director

Concurred in by:



Asst. General Counsel

M E M O R A N D U M

May 2, 1974

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT T. KENNEY, DIRECTOR

SUBJECT: SOUTH COVE PROJECT - MASS. R-92
Establishment of Fair Market Value
Parcel Nos. 10-1 and 18-1 - Certificate #1

It is requested that you approve and certify the fair market value of the parcels listed on the attached certificate.

The parcels have been appraised by two qualified, independent fee appraisers. The appraisals have been reviewed by staff appraisers, under the supervision of the Real Estate Director, in accordance with applicable State law, the Real Property Acquisition Policies Act of 1970, Public Law 91-646, and the Department of Housing and Urban Development policies and requirements.

The Real Estate Director is of the opinion that the prices for these parcels are a reasonable estimate of their fair market value.

The General Counsel concurs with the prices recommended.